



# INVESTIGATIVE REPORT

Lori Torres, Inspector General

OFFICE: INDIANA FAMILY AND SOCIAL SERVICES ADMINISTRATION (FSSA)  
TITLE: NEPOTISM AT THE FSSA DIVISION OF FAMILY RESOURCES (DFR)  
CASE ID: 2016-08-0167  
DATE: July 14, 2017

*Inspector General Staff Attorney Stephanie Mullaney, after a review by Special Agent Mike Mischler, reports as follows:*

The Indiana General Assembly charged the Office of Inspector General (OIG) with addressing fraud, waste, abuse, and wrongdoing in agencies. IC 4-2-7-2(b). The OIG investigates criminal activity and ethics violations by state employees. IC 4-2-7-3(3). The OIG may recommend policies and carry out other activities designed to deter, detect, and eradicate fraud, waste, abuse, mismanagement, and misconduct in state government. IC 4-2-7-3(2). The OIG may also advise an agency on implementing policies and procedures to prevent and reduce the risk of wrongful acts within the agency. IC 4-2-7-3(2).

On August 10, 2016, the OIG received a complaint through its online hotline alleging that a clerk working at an Indiana Family and Social Services Administration's (FSSA) Office (Daughter) was being supervised by her mother, the office's manager (Mother). Special Agent Mischler reviewed the matter.

Special Agent Mischler's review found no evidence that the Mother was involved in the hiring of the Daughter, a contract employee, and only limited evidence that the Mother was involved in the supervision of the Daughter. Furthermore, witnesses interviewed indicated that other DFR employees supervised the Daughter. As a result, the OIG declines to pursue an ethics complaint in this matter.

Although the OIG is declining to file an ethics complaint in this matter, the OIG found limited evidence to support a potential violation of the nepotism rule and the employment arrangement created an appearance of impropriety within the FSSA DFR office overall. As a result, the OIG makes the following recommendations pursuant to IC 4-2-7-3(2) to prevent issues like this in the future:

### **Recommendation 1**

At a minimum, FSSA should ensure that the Mother and the Daughter continue to work in different FSSA DFR offices and that no other FSSA employees work in an “office manager” supervisory position in the same local DFR office as their relative. Given the small staff in many local offices, someone in a “one manager” office will almost always exercise some authority in the office over a lower level relative, even if technically not assigned as the relative’s supervisor or within the relative’s direct line of supervision. As support for this position, the OIG refers to the online hotline complaint filed in this case.

If such a move is not practicable in certain circumstances, FSSA should take any additional steps necessary to avoid the appearance of impropriety stemming from relatives working within the same local DFR office, such as clearly making it known to all in the office that the related employees are not in each other’s direct line of supervision, identifying exactly who is the employee’s supervisor, and cautioning the office supervisor about exerting any kind of implied or actual authority over his or her relative.

### **Recommendation 2**

To further address the appearance of nepotism and to provide written guidance to staff working in the FSSA DFR offices, FSSA should draft and adopt a policy regarding nepotism and the appearance of nepotism when it comes to hiring and utilizing contract employees. This policy

should include a prohibition on relatives working in the same local DFR office if one of the relatives is in a supervisory position in that office, along with any other restrictions necessary to avoid the appearance that a relative is supervising another relative. For example, the policy should prohibit a relative from having absolutely any role in the hiring of a relative, and it should prohibit a supervisory relative from approving the time of a relative in a subordinate position. This policy should be filed with our office in accordance with 42 IAC 1-6-1.

**Recommendation 3**

For added transparency, FSSA should provide contract employees a copy of the written policy described in Recommendation 2 at the time of hire and on an annual basis. This would ensure that contract employees are aware of the FSSA policy so they can assist in ensuring compliance. In addition, FSSA should provide training or supplemental instruction to all hiring managers or personnel on the nepotism rule and the updated DFR policy, including ways to minimize the appearance of impropriety in regards to the nepotism rule.

Dated this 17<sup>th</sup> of July, 2017.

APPROVED BY:



---

Lori A. Torres, Inspector General